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NASA Procedural Requirements

COMPLIANCE IS MANDATORY**NPR 9610.1**Effective Date: September 30,
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 (NASA Only)

Subject: Accounts Receivable

Responsible Office: Office of the Chief Financial Officer[| TOC](#) | [Preface](#) | [Chapter1](#) | [AppendixA](#) | [ALL](#) |

Appendix A. Definitions

A.1 Accounts Receivable. Receivables arise from claims to cash or other assets against another entity. Receivables include, but are not limited to, monies due for indebtedness. Examples of indebtedness include reimbursements to NASA for work performed for other parties, overpayments to vendors or to employees, dishonored checks, interest, fees, claims, damages, or any other event resulting in a debt owed to NASA.

A.2 Close-out. Close-out occurs after determination has been made that additional collection efforts on a debt would be futile so that collection efforts are terminated. Criteria for determining whether additional collection efforts would be futile are addressed in the section covering Termination of Collection Activity. The amount of the debt is reported to the Internal Revenue Service as income to the debtor on Form 1099-C, "Cancellation of Debt." Close-out may occur concurrently with the write-off of an account, or at a later date, depending on the collection strategy and the ultimate determination that the debt has been discharged. If collection efforts are terminated, the debt must be written-off.

A.3 Collection Actions. Collection actions include issuance of demand letters and referral to debt collection entities such as the Department of the Treasury.

A.4 Currently Not Collectible (CNC). Debts that have been written-off but where the Agency intends to continue cost effective debt collection action.

A.5 Delinquent Receivables. Delinquent accounts receivable are receivables that have not been paid by the date specified in the initial written demand for payment or applicable agreement unless other payment arrangements have been made. Receivables which are delinquent are aged from the payment due date. If a payment "grace" period is provided and expires without payment, then the receivable becomes delinquent from the original payment due date.

A.6 Intragovernmental Receivables. Intragovernmental receivables are claims of a Federal entity against other Federal entities. The standard business rules that govern intragovernmental receivable billing and reconciliation are contained in b. NPR 9220.1, Journal Voucher preparation and Approval and Intragovernmental Transactions

A.7 Nondelinquent Receivables. Nondelinquent (or "current") receivables are receivables outstanding for 30 days or less or those not yet due under the contract or billing document pertaining to the receivable.

A.8 Nonentity Receivables. As defined by SFFAS No. 1, nonentity receivables are amounts that NASA collects on behalf of the U.S. government or other entities and which NASA is not authorized to spend. Nonentity receivables are reported separately from receivables available to NASA (entity receivables). Nonentity receivables include:

- a. Governmental receipts and collections arising from the sovereign and regulatory powers unique to the Federal Government.
- b. Receivables related to custodial amounts collected on behalf of other accounts (such as interest on delinquent receivables).

c. Other receivables that NASA is not authorized to credit to its accounts (such as amounts deposited to Miscellaneous Receipts representing collections above full cost on reimbursable billings unless expressly permitted or amounts billed to recover depreciation).

A.9 Non-Federal Receivables. Non-Federal receivables are claims of NASA or an entity within the Federal Government against non-Federal entities. The term "non-Federal entities" encompasses public entities, domestic and foreign persons, and organizations outside the U.S. Government. Non-Federal receivables are also called public receivables.

A.10 Reimbursements. Reimbursements are amounts earned and collected for goods or services furnished.

A.11 Rescheduled Receivables. Rescheduled receivables are receivables and advances that have been subject to rescheduling, forbearance, deferment, reamortization, or any other form of extending the original payment(s) or payment due dates.

A.12 Revenue. Revenue comes from two sources: exchange transactions and nonexchange transactions. Exchange revenues arise when an entity provides goods and services to the public or to another Federal entity for a price. Exchange revenue is also known as earned revenue. Nonexchange revenues come primarily from power of the U.S. Government to demand payments from the public, such as taxes, duties, fines, and penalties.

A.13 Write-off. Write-off is the process of reducing receivables in accounting records as a result of the determination that they are uncollectible. All write-offs must be made through allowance accounts for bad debts. Under no circumstances are debts to be written-off directly to expense. Write-off of debt does not automatically imply the termination of collection efforts. Those should be addressed independently. If a debt is written-off, collection efforts could continue. If a determination is made to terminate collection efforts, the debt must be written-off. Write-offs should also be distinguished from reversals of receivables as a result of corrections or a determination that there is not a valid basis for the claim by NASA.

A.14 Accounts Receivable (Account Number 1310). Accounts receivable are the receivables or amounts due from others when the right to receive funds accrues. This may result from the performance of services, the delivery of goods, refunds due, or court ordered assessment. Sources of entry include billing documents, cost reports, receiving reports, payroll records, cash collection vouchers, and collection and disbursing documents. The normal balance for this account is a debit.

A.15 Allowance for Loss on Accounts Receivable (Account Number 1319). Allowance for Loss on Accounts Receivable represents the estimated amount of uncollectible accounts receivable from the public so that receivables can be reported at their net realizable value, (i.e., net an estimate of receivables reasonably likely to become uncollectible). Increase the account by the amount estimated to be uncollectible. Decrease the account by the actual amount subsequently written-off. The amount should consider outstanding advances. The normal balance for this account is a credit.

A.16 Interest Receivable (Account Number 1340). Interest receivable is the amount owed representing accrued interest charges on delinquent accounts receivable and the normal interest that accrues on loans receivable. This also includes interest accrued on investment securities. The normal balance for this account is a debit.

A.17 Allowance for Loss on Interest Receivable (Account Number 1349). The Allowance for Loss on Interest Receivable represents the estimated amount of uncollectible Interest Receivables so that Interest Receivables can be reported at their net realizable value. The process for determining an allowance for uncollectible amounts shall be based on an historical analysis of interest receivables that have been determined to be uncollectible. Increase the account by the amount estimated to be uncollectible. Decrease the account by the actual amount subsequently written-off. The normal balance for this account is a credit.

A.18 Penalties, Fines and Administrative Fees Receivable (Account Number 1360). This is the amount owed representing penalties, fines, and administrative fees that have been assessed as a result of delinquent accounts receivable and loans receivable. The normal balance for this account is a debit.

A.19 Allowance for Loss on Penalties, Fines, and Administrative Fees Receivable (Account Number 1369). This represents the estimated amount of uncollectible Penalties, Fines, and Administrative Fees Receivable so that Penalties, Fines, and Administrative Fees Receivable can be reported at their net realizable value. The process for determining an allowance for uncollectible amounts shall be based on an historical analysis of Penalties, Fines, and Administrative Fees Receivable that have been determined to be uncollectible. Increase the account by the amount estimated to be uncollectible. Decrease the account by the actual amount subsequently written-off. The normal balance for this account is a credit. Abandoned. A condition in which the facility or other General PP&E asset has been 'walked away from' or ceasing to maintain any part of the property. There are no plans for future reactivation and plans have been made to demolish or declare the asset item as excess at the earliest practical date.

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